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Suk H. Kim

The Foreign Corrupt Practices Act, enacted by the U.S. Congress in 1977, was intended to upgrade the image of U.S. businesses and institutions tarnished by Watergate and related scandals. The Act makes it unlawful for US companies to influence foreign officials through payments, and requires these firms to maintain strict accounting controls over their assets. Dr. Kim recently surveyed members of Fortune 500 firms to answer one essential question: Should the Act be repealed?

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The principal dilemma facing the policy makers in the area of industrialization relates to the use of tariffs. Without the protection they afford, the growth of modern industry in developing countries is impossible. But once they are instituted, there is a continual pressure for the sustenance of high tariff levels and a minimal urge to improve the efficiency of the domestic industry vis-a-vis the world suppliers. In the face of tariff protection, the industrialists become susceptible to outward and inward inflationary cost factors. The proposal here is to institute a planned system of graduated tariff reduction with a penalty of confiscatory taxation if the planned cost and price reductions do not materialize.

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William H. Brickner

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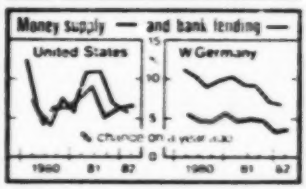

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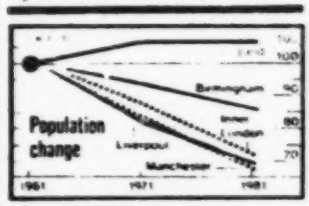

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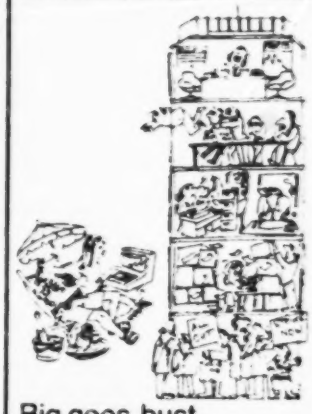

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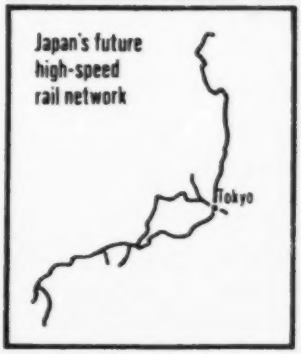

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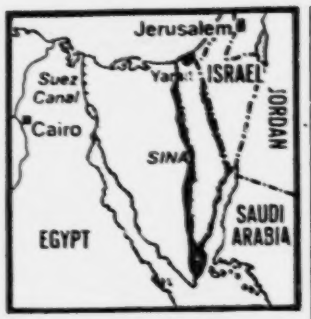

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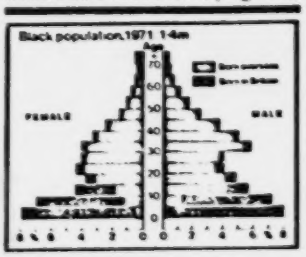

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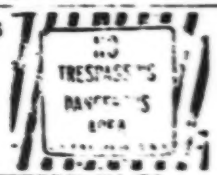

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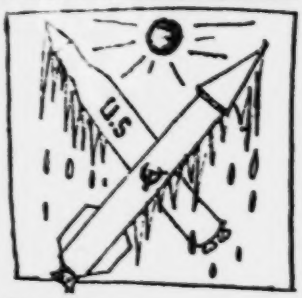

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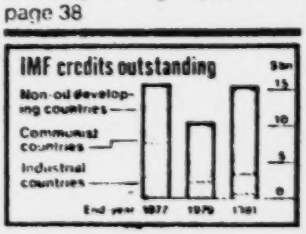

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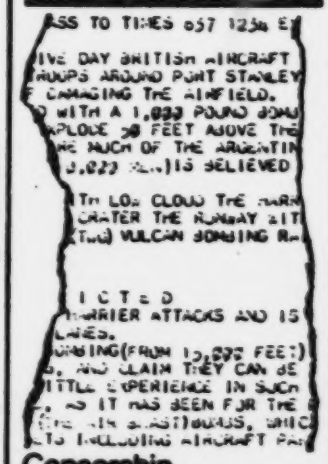

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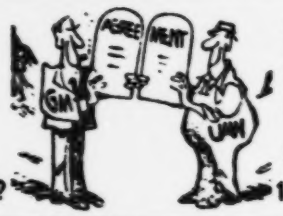

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The Columbia Journal of World Business, (v. 16, no.4, Winter, 1981)

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THE NEW "INTERNATIONAL BANKING FACILITY": A STUDY IN REGULATORY FRUSTRATION Page 6

Franklin R. Edwards

In December of 1981 the Federal Reserve authorized the creation of International Banking Facilities (IBF's), or special regulatory arrangements through which banks located in the United States can conduct international banking activities free from domestic regulatory constraints. The primary purpose behind the creation of these "facilities" is to try to bring home the huge Eurodollar market that has grown up outside the United States during the past twenty years. Professor Edwards discusses the key events that led to the creation of IBF's within the context of a general review of the economic and regulatory history of the Eurodollar market.

OFFSHORE BRANCHES AND GLOBAL BANKING—ONE BANK'S VIEW Page 19

Thomas C. Theobald

The distinction between domestic and offshore banking is disappearing, leaving only a global market. Government regulation seeking to control the flow of money leads to such innovations as the Eurodollar, and illustrates the fact that there is not only a global market but an era of emerging communications. Governmental worries about the activities of international financial institutions in such areas as data transmission and loan losses are not relevant.

RISK MINIMIZATION FOR INTERNATIONAL LENDING IN REGIONAL BANKS Page 21

Christopher M. Korth

International lending introduces a commercial bank to an entirely new dimension of risks compared to those confronted in domestic banking. All of the risks of domestic lending exist in international lending as well—and often with very unique elements. In addition, international lending leads to several new categories of risks which are not present in domestic lending.

THE GROWTH STRATEGIES OF NEW YORK BASED FOREIGN BANKS Page 29

Samuel Rabino

The increase in the level of activities of foreign banks has become a source of both concern and admiration to the American banking sector. This study evaluates planning and marketing strategies of New York-based foreign banks. Marketing strategy is examined along two dimensions: Organizational form and regional affiliation.

CHALLENGES TO THE USE OF THE DOCUMENTARY CREDIT IN INTERNATIONAL TRADE TRANSACTIONS Page 36

Frank R. Ryder

The documentary letter of credit has been useful in facilitating commercial transactions between buyers and sellers in different countries. However, these letters of credit are vulnerable to fraud and forgery. Another problem area is the exercise of local jurisdiction in settling disputes that arise under documentary credits, which are international in nature.

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EXPORT TRADING COMPANIES: CURRENT LEGISLATION, REGULATION AND COMMERCIAL BANK INVOLVEMENT Page 42

Ralph H. Chew

The United States Senate recently passed the Export Trading Company Act. The Act would allow US banks and bank holding companies to own ETCs, but does not bite the bullet with regard to the overregulation of the industry. While acknowledging that "the development of export trading companies in the United States has been hampered . . . by Government regulations," (S.734, Title I, Sec. 102(a)(7) the proposed legislation does nothing to free American export entrepreneurs from government regulatory shackles. The author is unaware of any serious effort on the part of the Senate sponsors of the Act to build upon the impressive record of existing ETCs, or even to examine the dangers to current US export activities posed by the bank related provisions of the proposed legislation. The article examines these neglected issues.

THE DECLINE IN PRODUCTIVITY GROWTH—CAUSES, CONSEQUENCES AND POSSIBLE REMEDIES Page 48

Michel A. Amsalem

Since 1977, no growth of productivity has been seen in the developed countries, which before 1973 had a rate of increase of 4.5 percent a year. Contradictory theories have been offered to explain the causes of this trend, and conflicting remedies have been recommended. Members of the International Academy of Management were surveyed, and a consensus emerged that the decline in productivity growth is the result of a conjunction of factors and can only be fought by a mixture of policy measures.

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Douglas A. Fraser

The US is the only major nation without a coherent, employment oriented auto industry policy. Legislation is needed to pressure the Japanese, our major rivals, to build plants and create jobs here, where their largest market is. Content laws, which would lead to increased investment and prevent further loss of jobs, would be superior to measures which simply limit imports.

THE SPREADING NATIONALIZATION OF EUROPEAN INDUSTRY Page 62

Kenneth D. Walters
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The past decade has seen a dramatic growth in the number and size of state-owned companies in Western Europe. State firms are now common in many industries where only private firms were previously found, and a number of industries are now dominated by state-owned firms. Nationalization is rapidly changing the face of Europe's mixed economy and may even portend the demise of capitalism itself in Europe.

THE ROLE OF LICENSING IN INTERNATIONAL STRATEGY Page 73

Farok J. Contractor

The role of licensing in international strategy is viewed in the context of the alternative overseas expansion options of direct investment or exporting. Several policy variables and circumstances are presented where licensing would be the preferred option. Professor Contractor also reviews changing global conditions for international business which are likely to favor licensing, particularly in some regions.

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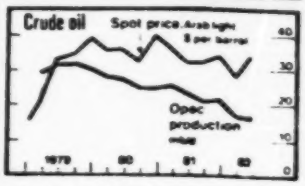

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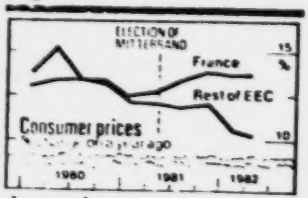

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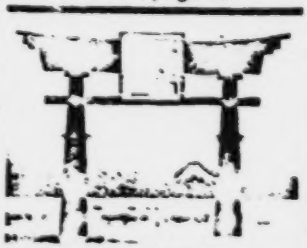

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The author gives some concrete examples of transfer of technology in this sector, and makes some suggestions for the future.

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This article describes the need for an industrial strategy in Canada and the obstacles to it that are coming from the United States.

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The author describes the effect of the EEC preferential agreements with Mediterranean countries and examines in detail the effect of trade preferences and investment in Malta, particularly on the clothing industry.

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It is greatly regretted that the name of Mr. Liaqat Ali was mis-spelt in connection with his article on "The World Wheat Market and International Agreements" which appeared in Vol. 16, No. 1.

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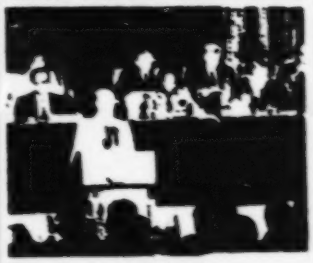

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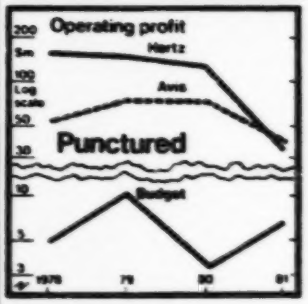

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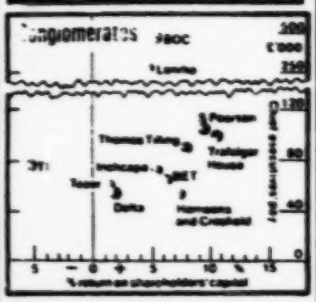

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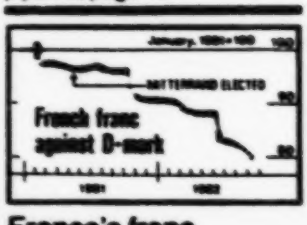

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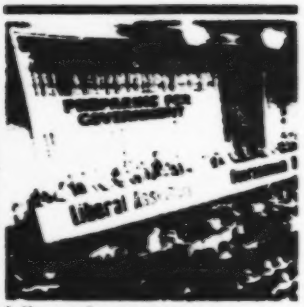

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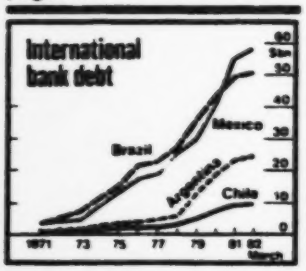

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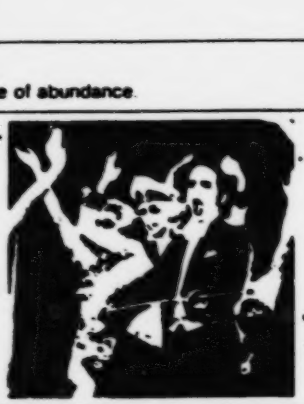
Kevin P. Phillips		**America in the 1980s—A Weimar analogy?** 	46
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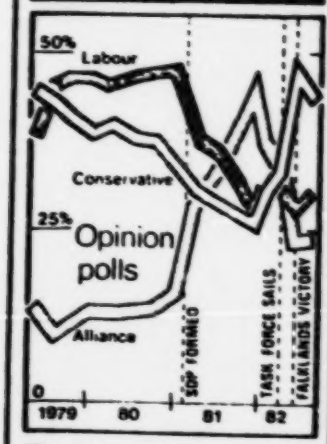

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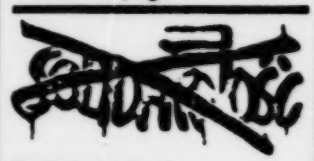

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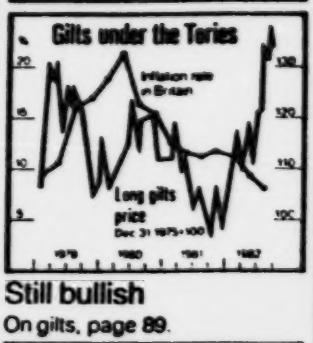

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The International Food Economy —*Dragoslav Avramović* *page 391*

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